



Australian Government

Department of Foreign Affairs and Trade



# Aid Program Performance Report 2014-15

Bangladesh

November 2015

## Key Messages

This report summarises the progress of Australia's aid investments in Bangladesh for the period July 2014 - June 2015 against the Australia - Bangladesh Aid Program Strategy (2012-16). Progress is measured using a Performance Assessment Framework (PAF) which includes indicators of performance under each strategic objective. Australia's aid program to Bangladesh works towards the overarching goal of 'helping to accelerate gains in poverty reduction and human development in support of the country's vision for sustainable economic and social development'<sup>1</sup>.

The aid program in Bangladesh continued to support the Government of Bangladesh's development agenda and achieved positive development results. Through its aid investments and policy engagement, Australia:

- › Improved the quality of education through institutionalising new forms of teacher training and learning assessments;
- › Promoted access to quality basic education in areas where government schools were not operating and advocated on gender and other disparity issues with Government including barriers to education among the most marginalised;
- › Played a strong role in strengthening public financial management in the Ministry of Primary and Mass Education;
- › Chaired the oversight and coordination consortium for the Government's primary education program, helping us to play a lead role in setting policy and management priorities for the sector. Australia also encouraged collaboration across the primary education sector between Government and Non-Government Organisations (NGOs);
- › Improved resilience to natural and economic shocks through extreme poverty reduction programs that have a strong focus on women (including registered and unregistered Rohingya and host communities in Cox's Bazar district). We also demonstrated evidence of follow-on benefits from these programs, including access to health care and education services, Government safety net programs and livelihoods training;
- › Supported over 150 NGOs to build their capacity to empower marginalised people (including extremely poor women) to demand rights and get access to basic services;
- › Made good progress towards achieving the pilot performance benchmarks as identified in the APPR 2013-14. Seven of the eight benchmarks were achieved during the reporting period;

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<sup>1</sup> The Bangladesh program's new Aid Investment Plan (AIP) was finalised in September 2015. The 2014-15 APPR reports against the previous country strategy, while recognising that the period also included substantial adjustments to how we managed investments and where we focussed our priorities, to better align with the directions of the new AIP.

- › Demonstrated strong results in program management, including through consolidation of highly performing investments. No initiatives were determined to require improvement based on the agreed ratings in the Aid Quality Checks (AQC)s; and
- › Prepared a new Aid Investment Plan (AIP) for Australian aid to Bangladesh, finalised in September 2015. Australia will continue to consolidate the program to optimise efficiency and effectiveness.

## Context

Bangladesh continued to experience solid economic growth in 2014-15, underpinned by macroeconomic stability and strong domestic demand. Based on continued growth in Gross Domestic Product (GDP) (averaging 6 per cent), agriculture (growth of 3.3 per cent) and remittances (averaging 6.7 per cent) Bangladesh's Planning Commission projects a decline in poverty incidence to 24.4 per cent in 2014 from 31.5 per cent in 2010, based on the national poverty line of USD2 per day<sup>2</sup>. Bangladesh's per capita gross national income (GNI) in 2014 rose to USD1,080 which represents a doubling of GNI since 2007. In July 2015 Bangladesh 'graduated' from low to lower middle income country status<sup>3</sup>. Bangladesh aspires to be a middle-income country (MIC) by 2021. This will require increasing GDP growth to 7.5 to 8 per cent per year driven by accelerated export and remittance growth<sup>4</sup>. Both public and private investment will also need to increase.

Bangladesh's progress against key human development indicators continued to improve, and it is now among the best performing in South Asia with higher life expectancy, lower fertility rates and lower infant mortality<sup>5</sup>. Bangladesh remains on track to meet some of the Millennium Development Goals (MDGs), including MDG 4 (reduce child mortality), MDG 5 (improve maternal health), MDG 2 (access to primary education). Bangladesh has also achieved gender parity in school enrolment under MDG3 (promote gender equality and empower women) having improved on this measure more rapidly than most other Least Developed Countries (LDCs). Bangladesh has made progress in respect of MDG 1 (eradicate extreme poverty and hunger) based on the decline in poverty incidence.

The resilience of the Bangladesh economy continued to be tested by ongoing political instability, weak global markets and structural constraints. The most recent political unrest in early January 2015, which included prolonged nation-wide strikes (*hartals*), resulted in over 120 deaths and hundreds of injuries. This adversely impacted on economic activity, including by dampening private sector investment. Domestic industries including apparel, tourism, retail,

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<sup>2</sup> The next Bangladesh Household Income and Expenditure Survey (HIES) is due to be completed in 2015.

<sup>3</sup> The World Bank, July 2015.

<sup>4</sup> The World Bank, July 2015.

<sup>5</sup> UNDP, Human Development Trends, 2014.

poultry and agriculture were hardest hit, recording sector wide losses from January to mid-March 2015. Conservative estimates indicate that the political unrest in 2015 resulted in direct production losses between 0.55 and 1.0 per cent of GDP<sup>6</sup>. The projected GDP growth rate was revised down from 6.4 per cent to 6.1 per cent. Exports lost momentum because of weaker global demand. The growing infrastructure deficit and onerous regulatory regime in Bangladesh continued to impact on investment<sup>7</sup>.

Challenges remain in the recognition and enforcement of legal rights, violence against women and girls, child and early forced marriage, women's representation in decision making, and economic empowerment, each of which is related to and impacts on a broad range of sectors. Amendments to the Child Marriage Act were proposed during the reporting period. While this included provisions to strengthen the legal framework to prevent child marriage, an exemption allowing marriage for girls at 16 is concerning as it may allow significant numbers of child marriages to continue.

While gains in primary education enrolment were made, challenges remain: how to improve the quality of education, facilitate successful completion of primary education (particularly for girls), support the transition to secondary education and/or vocational training, and improve access to decent jobs or sustainable self-employment. The sustained elimination of absolute extreme poverty (including helping those who are vulnerable to falling back into poverty through natural and man-made shocks) remains a critical issue for Bangladesh. Social protection, including more effective tax transfer systems and increased public spending on human development, are key mechanisms for achieving inclusive growth.

Overall Bangladesh is on a positive development trajectory. Graduation to lower MIC status does not, however, equate to an exit from poverty. While dependence on traditional Official Development Assistance (ODA) will decrease, new regional players such as India and China will increase their investments in the Bangladesh economy. Bangladesh became a founding member of the new Asia Infrastructure and Investment Bank (AIIB) in June 2015, which in time may open up new opportunities for project finance and technical assistance. Bangladesh needs ongoing support to make the economic and institutional shifts to achieve MIC status through sustainable, inclusive growth. Australia's value-add will be: building Bangladesh's capacity to use its own resources more effectively and efficiently; piloting innovative programs and sharing evidence of effective policy and program interventions; and developing people-to-people and institutional linkages.

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<sup>6</sup> The Centre for Policy Development has estimated GDP losses of 0.55 per cent while the World Bank puts the figure closer to 1.0 per cent of GDP.

<sup>7</sup> World Bank, Bangladesh Development Update, April 2015.

## The Aid Program in Bangladesh

In 2014-15 total aid to Bangladesh constituted approximately 1.8 per cent of its GDP, of which Australia's contribution of \$93.2 million represented approximately 2.7 per cent. The overarching goal of Australian aid to Bangladesh is to '*help accelerate gains in poverty reduction and human development in support of the country's vision for equitable economic and social development*'. Three objectives have been identified to achieve this:

- › **Increased equity of access to, and improved outcomes from, health and education services.** Australia is working with the Government and nine other donor partners on a large-scale program that reaches 100,000 schools and 20 million students. The Primary Education Development Program Phase III (PEDP3) is a Sector Wide Approach (SWAp) which focuses on improving the quality of education through better-trained teachers and competency based education. Australia also partners with BRAC and DFID through the Strategic Partnership Arrangement (SPA) that provides quality primary education, including in places where Government programs do not reach.
- › **Fewer women and men living in extreme poverty and vulnerable to economic and natural shocks.** Australia is working with the Government, BRAC, DFID and the World Food Programme (WFP) to strengthen social protection systems and livelihoods programs. The Strengthening Government Social Protection Program (SGSP) is assisting the Ministry of Finance to entrench a National Social Security Strategy. The Challenging the Frontiers of Poverty Reduction- Targeting the Ultra Poor (CFPR-TUP) program with BRAC is supporting extremely poor households in 42 districts by providing cash transfers, productive assets, training and access to free health services. Assistance to WFP delivers nutrition, food distribution and income generating activities to communities in Cox's Bazar, which are host to registered and unregistered Rohingya.
- › **Women and marginalised groups better able to demand and obtain services and assert their rights.** The two biggest contributors to this objective are the Manusher Jono Foundation (MJF) and BRAC. Australia's support to MJF is supporting over 150 NGOs such as the Acid Survivors Foundation (ASF) to build their capacity to help marginalised groups demand rights and get access to basic services. BRAC's Community Empowerment Program (CEP) is focused on achieving socio-political empowerment of the rural poor, particularly women.

## Expenditure

**Table 1 Total ODA Expenditure in FY 2014-15**

Objective	A\$ million	% of total ODA
Objective 1: Increased equity of access to, and improved outcomes from, health and education services	51.6	55.4
Objective 2: Fewer women and men living in extreme poverty and vulnerable to economic and natural shocks	18.8	20.2
Objective 3: Women and marginalised groups better able to demand and obtain services and assert rights	1.7	1.8
<b>Sub-Total Bilateral</b>	<b>72.1</b>	<b>77.4</b>
Regional and Global	17.4	18.6
Other Government Departments	3.7	4.0
<b>Total ODA Expenditure</b>	<b>93.2</b>	<b>100.0</b>

Australia's total ODA to Bangladesh in 2014-15 was \$93.2 million. The bilateral program accounted for \$72.1 million or 77.4 per cent of total Australian ODA to Bangladesh. The Bangladesh Aid Program Strategy (2012-2016) was premised on growth of the aid program, which has since been reviewed to achieve a more affordable and sustainable global aid program. Successive in-year budget adjustments in 2012-13 and 2013-14 also required significant amendments to planned and existing investments. The Bangladesh aid program has been progressively consolidated towards a smaller number of larger investments. During the reporting period Australia completed its exit from the health sector and began phasing out of climate change and emergency response programs.

## Progress towards Objectives

**Table 2 Rating of the Program's Progress towards Australia's Aid Objectives**

Objective	Previous Rating	Current Rating
Objective 1: Increased equity of access to, and improved outcomes from, health and education services	Green	Green
Objective 2: Fewer women and men living in extreme poverty and vulnerable to economic and natural shocks	Green	Green
Objective 3: Women and marginalised groups better able to demand and obtain services and assert rights	Green	Green

**Note:**

 **Green.** Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 **Amber.** Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 **Red.** Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Reporting period:

## **Objective 1: increased equity of access to, and improved outcomes from, health and education services**

*Rating: Green*

*The rating is based on continuing progress on the national primary education program, supported by Australia and other development partners, and because BRAC has achieved its targets for providing education for children of poor families who are unable to get access to Government education services. Australian-supported education reforms have also continued despite a difficult security environment. Our efforts in health ensured a smooth transition out of the sector.*

Education is the foundation of Australia's aid program to Bangladesh with approximately half of our budget spent on education initiatives. While Bangladesh has made good progress on improving access to primary education, improving quality remains a challenge. As a funding partner with other donors, Australia focused on improving the quality of primary education through institutionalising new forms of teacher training and learning assessments, promoting discussion of issues beyond gender parity in enrolment and playing a stronger role in strengthening public financial management (PFM). We have strategically deployed our limited resources to focus on key areas which align with the Government's Sixth Five Year Plan, Australia's aid policy and our new country program goal of 'investing in human development, skills and productivity'.

Progress under the primary education program has continued to justify Australian investment and policy contribution. A commitment by the Bangladesh Government to ambitious reforms covering 100,000 schools and 20 million students has been maintained. Six of nine disbursement linked indicators (DLIs) connected to policy reforms were met during the reporting period. Indicators not yet met are needs-based infrastructure development; decentralised school management and governance; and teacher recruitment and deployment. Unmet indicators will be reviewed again in October 2015. These indicators are expected to be achieved in line with program timeframes. Additional funds were disbursed upon meeting annual audit requirements and budget reports, which were reviewed jointly by government and development partners during the reporting period.

Australia's support in 2014-15 has resulted in 213,642 teachers (more than 50 per cent women) being trained in order to improve learning outcomes. The number of children enrolled in pre-primary school (1.83 million) has doubled since 2010<sup>8</sup>. Other achievements linked directly to Australia's contribution to the government primary education program include;

- > Textbook revisions to government curriculum from grades 1-3 completed with grades 4-5 on-going;
- > An increased proportion of competency based questions (25 per cent) in grade 5 exams with an additional 25 per cent piloted;

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<sup>8</sup> According to the Annual Sector Performance Report 2014.

- › The every child learns (ECL) initiative which responds to the individual learning needs of the student, expanded from 700 to 980 primary schools in 2014-15;
- › Technical support provided to interim financial reports (IFR) and annual fiduciary reviews (AFR); and
- › Key policy and management priorities promoted through policy dialogue including the Joint Annual Review Mission (JARM) and the PEDP3 mid-term review (MTR)<sup>9</sup>;

As chair of the oversight and coordination consortium (including ADB, Canada, the UK, the EU, Japan, Sweden, UNICEF and the World Bank) Australia played a lead role in influencing the policy and management priorities for primary education sector reform in 2014-15. Australia encouraged collaboration across the primary education sector between government and donor partners, including by taking a lead role in a study tour to Tamil Nadu in India to study inclusive techniques for quality teaching. Long running efforts to improve teacher quality took a significant step forward with the Government signing and beginning to implement the updated Diploma in Education. There was further progress to increase the level of competency-based questions used in grade five exams. Australia also worked to refocus attention on gender within the PEDP3 group, presenting analysis at the JARM to highlight that, while enrolment parity has been achieved in primary school, girls still face many barriers to their education (including child marriage and harassment).

Australia's influence and convening power in primary education was assisted by its high quality technical assistance and professional credibility on the ground. Our strong technical engagement is a cost-effective way of working with the Bangladesh government to improve the efficiency and effectiveness of its systems in a national program where donors contribute less than 15 per cent of the total costs and where the government is implementing a significant reform agenda. Strengthening PFM is one of the success stories specifically recognised in the PEDP3 MTR. Australian funded technical assistance through the World Bank supported development and implementation of reforms to strengthen PEDP3's audit functions, online business and activity statements (iBAS) and procurement. Australia's technical assistance also helped with the development of online software which is being used to provide updated 'live' record keeping of textbook delivery. There has been less progress with inclusive and non-formal education, which remains the subject of sustained dialogue with Government and with UNICEF, the technical lead in these areas.

Australia's partnership with BRAC and DFID achieved strong primary education results for children who are unable to access government services. During the reporting period Australia's assistance resulted in 369,494 children (61.5 per cent girls) being enrolled in primary and pre-primary education in BRAC schools<sup>10</sup>. An additional 12,670 teachers were also trained in better teaching techniques, again in both primary and pre-primary education<sup>11</sup>. Learning assessments

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<sup>9</sup> The final reports are yet to be published.

<sup>10</sup> Just under 3,000,000 students completed pre-primary and primary school from July 2009- December 2014.

<sup>11</sup> BRAC Education Program Progress Report, March 2015.

of BRAC school students resulted in 43,843 students (61.17 per cent girls) taking the primary school certificate exam and 99.97<sup>12</sup> per cent passing<sup>13</sup>. BRAC has also worked collaboratively with local NGOs on financing arrangements to share program implementation costs in certain districts. In 2014 over 30,000 children with a disability (girls: 52.61 per cent) had access to BRAC pre-primary (11,000) and primary (19,039) education<sup>14</sup>.

The non-ear-marked core funding model of the strategic partnership with BRAC allows it to be more innovative and means the NGO can more flexibly allocate seed funding to experimental programs that other donors are not yet ready to support. Through this approach, BRAC has developed floating latrines, boat schools and clinics to improve school attendance in parts of the country where government services do not operate.

Independent research conducted in 2014-15 into the strategic partnership with BRAC highlighted the scope to '*go beyond results*' to build a knowledge partnership based on research and promoting local and international advocacy on development themes of shared interest to the three partners. While the original intent of the partnership was primarily to provide an efficient and effective means to deliver results, there is now the opportunity to move the relationship into one that aligns with the post-MDG agenda on north-south cooperation and Bangladesh's changing assistance needs. To realise it, all partners will need to dedicate senior level resources to making the institutional shifts from program management to partnership management.

Political instability and resulting security issues have had an ongoing impact on our ability to monitor programs, but also underscore that our choice of partners has been appropriate – the grass-roots operations of BRAC and the national program in primary education were able to continue to deliver services and their own systems monitored and gathered evidence for results.

The resources allocated to the health sector were limited, based on Australia's decision to exit from this sector as part of our program of consolidation<sup>15</sup>. Although health remains an important development issue in Bangladesh, other donors are better placed to work with the Bangladesh Government to tackle remaining challenges. The shift out of the health sector was gradual and included transitional support to affected partners. Former partner organisations remain eligible for Australia Awards and volunteer placements. As part of the transition, the 2014-15 reporting period includes results from Australian support for BRAC's Health, Nutrition and Population Programme (HNPP). Complementing government services, HNPP provides community based basic preventative and curative healthcare for the poor, especially women and children. The HNPP assisted over 60 million people in 47 districts in Bangladesh. Australia's funding through BRAC ensured over 249,000<sup>16</sup> additional births were attended by a skilled birth attendant.

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<sup>12</sup> The pass rate for girls was 99.99 per cent and 80.29 per cent of students received an A or above.

<sup>13</sup> BRAC Education Program Progress Report, March 2015.

<sup>14</sup> BRAC Education Program, Annual Report, 2014.

<sup>15</sup> See discussion above on 'expenditure' for further details on Australia's withdrawal from the health sector.

<sup>16</sup> The overall target of 936,000 additional births attended by a skilled birth attendant has been achieved with the current total at 1,383,000.

## Objective 2 fewer women and men living in extreme poverty and vulnerable to economic and natural shocks

Rating: Green.

*Decisions to transition out of programs on climate change, disaster risk reduction and emergency response as a result of program consolidation meant that the scope of this objective has changed over the strategy period. Australia's partnerships with DFID, BRAC and WFP enabled us to make a direct and significant difference to the lives of poor people and, albeit at a slow pace, to promote long-term dialogue with Government of Bangladesh about improvements to social protection policy.*

Australia has invested in well-tested models of poverty reduction through asset transfer programs that have delivered on their targets. BRAC's CFPR-TUP program, supported through Australia's strategic partnership with BRAC and DFID, achieved its end-2014 target of helping 280,000<sup>17</sup> women and their families onto a pathway out of poverty<sup>18</sup>. The methodology developed by BRAC, part funded by Australia for the last eight years, is now used globally to assist extremely poor families combat the effects of poverty. The approach combines the transfer of a productive asset with consumption support, training, and coaching plus savings encouragement and health education and/or services. It has been shown to be a highly effective intervention in other country contexts<sup>19</sup> as well as in Bangladesh. DFAT's contributions to social protection initiatives in Bangladesh, Indonesia and the Philippines were highlighted in the documentary 'Leaving No One Behind'<sup>20</sup>, launched in Bangladesh by Australia's High Commissioner and eliciting favourable media coverage.

In partnership with DFID, Australia continued to fund the Chars (river islands) Livelihoods Program (CLP) under which 23,000 households met the criteria for graduation from intensive support (nearly meeting the 2014 target)<sup>21</sup>. Both the CFPR-TUP and CLP have a strong focus on women and provide important and well documented follow on benefits, including access to health care and education services, government safety nets and social networks. A separate Australian funded program operates in partnership with WFP in Cox's Bazar (which is host to significant numbers of registered and unregistered Rohingya). It aims to improve ultra-poor women's livelihoods and early childhood nutrition, and to provide school feeding programs. This builds on a previous phase of this program and is supporting improvements in the nutritional status of women and children and improved school attendance. Flexible Australian support since 2011 has enabled WFP to navigate the political sensitivities in this area and to shape its interventions in accordance with Government of Bangladesh's National Strategy Paper on Myanmar Refugees and Undocumented Myanmar Nationals in Bangladesh.

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<sup>17</sup> Cumulative count from 2010.

<sup>18</sup> Strategic Partnership Arrangement, Mid Term Review, 2015.

<sup>19</sup> Banerjee et al: "A multifaceted program causes lasting progress for the very poor: Evidence from six countries", Science, May 2015.

<sup>20</sup> [https://www.youtube.com/watch?v=p\\_4mtDSXnuM](https://www.youtube.com/watch?v=p_4mtDSXnuM)

<sup>21</sup> Chars Livelihoods Program, Annual Review. 2014.

A mixed commitment to reform, as well as the complex multi-stakeholder policy environment, has meant slow progress on reforms to the national social protection system. Bangladesh spends 2.2 per cent of GDP on social protection systems, but there is strong evidence to suggest that this could be more effectively targeted and managed<sup>22</sup>. DFID is the lead partner in an initiative part funded by Australia, and supported with inputs from the DFAT Social Protection Hub, to assist the Ministry of Finance to engage in reforms of Bangladesh's social protection programs. Progress in creating a wider support base for policies that draw on earlier Australian analytical input has been slow, underlining the need for long-term development partner commitment to this reform. A significant step forward was the approval of the National Social Security Strategy by Cabinet in April 2015. Should the momentum on social protection gradually being generated not be fully realised, we may need to review our rating for this objective next year. While CLP and CFPR-TUP have had an immediate impact on the lives of many extremely poor Bangladeshis, they have been less successful in influencing Government social protection service delivery. However there are some signs of interest in scaling up asset transfer models as an anti-poverty measure nationwide, with the Government commissioned analysis for the 7<sup>th</sup> five year plan recommending consideration of approaches such as those used in CFPR-TUP and CLP.

Bangladesh remains vulnerable to natural disasters, including seismic and weather related shocks. Our assessment is that Government has capacity to manage all but the most severe events and that other donors are better positioned to work in this area. Australia began phasing out support to the Comprehensive Disaster Management Program (CDMP), the Bangladesh Climate Change Resilience Fund (BCCRF) and the Early Recovery Facility (ERF) in 2014-15<sup>23</sup>. Our continued focus on social protection will support the ability of the poor to return to school or employment following natural and man-made shocks.

### **Objective 3: women and marginalised groups better able to demand services and assert rights**

*Rating: Green*

*Decisions to consolidate the program meant that the scope of this objective has reduced over the strategy period. The rating reflects good performance by the two remaining partners (BRAC and MJF). Support for civil society as a key contributor to voice and rights, and a commitment to the empowerment of women and girls in all our programs, will be integrated across the two themes of the new Bangladesh AIP.*

Australian funding helped civil society to achieve some important outcomes for marginalised groups. MJF used the core funding it received to support over 150 NGOs to build their capacity to empower marginalised people (including extremely poor women) to demand rights and access basic services. Key results directly linked to our support included: 5,379 violence survivors received medical and legal support, and 304 acid survivors received medical

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<sup>22</sup> Bangladesh Poverty Assessment: assessing a decade of progress in reducing poverty, 2000-2010, World Bank, 2013.

<sup>23</sup> See discussion above on 'expenditure' for further details of Australia's withdrawal from these programs.

treatment, shelter, support and counselling services<sup>24</sup>. BRAC's CEP focused on achieving socio-political empowerment of the rural poor, particularly women. Some key results include; 16,390 polli shomaj<sup>25</sup> members participated in the rural power structure as members/ leaders and 4,745 ward meetings were conducted by trained union parishad<sup>26</sup> representatives<sup>27</sup>.

Australia funded a UNDP study on 'Determinants of Women Voter's Choice and Facilitating Women's Participation in Elected Offices' to analyse and propose recommendations on gender issues in elections<sup>28</sup>. One of the findings of the report was that education was an important factor in women's electoral participation as voters and candidates, underscoring the relevance of Australia's focus on education in our new AIP. Following the London Girls' Summit we reiterated our commitment, through advocacy and programming commitments, to ending violence against women and girls in a joint statement by BRAC, Australia and the UK. We comprehensively reviewed gender equality and women's empowerment in our programs and are following through on recommendations to improve the quality and scope of work on gender in all our investments. In partnership with other countries, Australia has had an ongoing dialogue with the Bangladesh Government on the issue of child marriage. Our new AIP addresses gender as a strategic, cross-cutting issue, which will then flow down into programs.

Our shifting strategic focus and consolidation agenda meant that an ongoing partnership with MJF was not pursued. Information exchange under the SPA with BRAC has helped to fill this gap; BRAC recognises that its social mobilisation programs, including the CEP, need to articulate better not just what they have achieved but how grass roots activities at scale help poor people to assert their rights and influence formal governance structures. Articulating BRAC's broader impact on community development is an important issue for a possible extension of the SPA. One lesson from the relationship with BRAC and MJF is that, although NGOs have made an overwhelmingly positive contribution to development in Bangladesh, there is no "light touch" approach available to development partners in supporting them. Significant project or core funding, even to an organisation such as MJF with many strengths, needs to be accompanied by institutional insights and strategic dialogue (such as Australia has with BRAC) if the transformational potential of an investment is to be fully realised.

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<sup>24</sup> Performance Assessment Framework.

<sup>25</sup> Ward-level community group of the poor, especially women, serving as a forum to raise concerns, claim rights and entitlements.

<sup>26</sup> A union is the smallest rural administrative and local government unit in Bangladesh. Each Union is made up of nine Wards, with one village usually designated as a Ward.

<sup>27</sup> Performance Assessment Framework.

<sup>28</sup> The final report is yet to be published.

## Cross-cutting, Regional, Global and Other Government Departments

A range of cross-cutting investments and activities funded from bilateral, global, regional and other Australian Government departments (\$21.1 million) also supported Bangladesh's development:

- › 64 Australia Award long-term scholarships<sup>29</sup> as well as 34 short-course places were provided, with awardees drawn from the Government of Bangladesh, ethnic minority communities and partner organisations. This developed the human resource base of the Bangladesh civil service and strengthened local NGO capacity (\$6.3 million).
  - In addition to supporting the focus areas of our aid strategy, scholarships built relationships and capacity in broader areas of shared interest such as governance, economic growth, water resource management, trade and police reform.
  - An equal number of men and women accepted scholarships. The Government received the majority of scholarships with 39 awards (61 per cent) followed by those from ethnic minority communities with 17 awards (27 per cent).
  - A case study on women recipients of Australia Award Scholarships in Bangladesh<sup>30</sup> was carried out, documenting their experience of returning to work and the opportunities and challenges a scholarship brings.
  - Pre-Departure and Welcome Home events offered opportunities for public diplomacy activities.
- › 14 Australian NGOs delivered a range of projects across Bangladesh through local partner organisations. Women's economic empowerment, ending violence against women and girls and promoting the safety and security of women and girls were strong themes. Australia provided funding to Oxfam Australia for a resilient water, sanitation and hygiene (WASH) program and to World Vision Australia for empowering working children. These partnerships are helping local communities to demand better services and link poor families to local government services (\$6.0 million).
- › 26 Australian volunteers helped build the capacity of individuals, organisations and communities. In addition to supporting the targeted areas of our aid strategy, volunteers built relationships and capacity in broader areas of shared interest including food security and nutrition, social protection and livelihoods, disaster risk reduction, maternal and child health, gender equality and disability (\$1.3 million). A photography exhibition to celebrate International Volunteers Day was well received.
- › 2 Civil Society Organisations implemented projects: Habitat for Humanity delivered an integrated WASH program with an emphasis on improving access to facilities for over 15,000 poor and vulnerable people and Australian Red Cross assisted over 24,000 vulnerable people address their WASH related needs as part of the broader resilience-focused program (\$1.6 million). Through the DFAT-Asia Foundation Partnership, Australia

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<sup>29</sup> Thirty long term awards funded by the bilateral program and the remainder from global resources.

<sup>30</sup> The final report is yet to be published.

also worked to improve the potential of the export leather sector in Bangladesh as well as enhanced social justice for women through an Islamic framework.

- › 13 small grants were provided through DFAT's Direct Aid Program in Bangladesh to fund projects focused on basic human rights and good governance. In 2014-15 this included funding for child poisoning prevention and a one-stop family planning service (\$0.5 million).
- › A small grant to RMIT and Monash University is supporting capacity building and linkages between Australian businesses and officials with senior officials in the Bangladesh energy and power sectors. Activities included workshops, seminars and industry visits to coal mines, coal ports, liquefied natural gas (LNG) plants and coal fired power plants (\$0.5 million).
- › Bangladesh also benefitted from initiatives funded under the South Asia Regional program which focuses on key trans-boundary development challenges inhibiting inclusive economic growth across the region<sup>31</sup>. This includes a trade facilitation program and a sustainable development investment program.
- › The Australian Centre for International Agricultural Research (ACIAR) supported a number of initiatives in Bangladesh including sustainable and resilient farming systems, climate change adaptation and food security (\$1.8 million).
- › The Department of Education and Training (DET) funded Endeavour Scholarships and Fellowships supporting Bangladeshis to undertake study, research and professional development in Australia.

## Performance Benchmarks

Performance benchmarks have been introduced into the Australian Aid Program to improve accountability, link performance with funding, and to integrate the aid program with Australia's broader foreign and trade policies. The Bangladesh program has made good progress towards achieving the pilot performance benchmarks identified in the APPR 2013-14. Seven of the eight benchmarks were achieved during the reporting period<sup>32</sup>. Australia and Bangladesh have experience working together on performance based funding through the Government's primary education program. This is sharpening the focus on improved education outcomes and strengthening the financial and management systems Bangladesh uses to deliver its primary education services.

Other benchmarks that were successfully met include;

- › More than 368,450 children (60 per cent girls) completed a course of primary or pre-primary education in BRAC schools<sup>33</sup>;

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<sup>31</sup> See South - East Asia Regional aid program for results, <http://dfat.gov.au/geo/east-asia/development-assistance/Pages/development-assistance-in-east-asia.aspx>

<sup>32</sup> The assessment period for the indicators does not directly correspond to the APPR reporting period. The unmet indicators will be reviewed again in October 2015 and are expected to be achieved in line with program timeframes.

<sup>33</sup> Actual number of children who completed a course of primary or pre-primary education was 369,494.

- › At least 50 per cent of scholarships in each intake were awarded to women<sup>34</sup>;
- › The number of female headed households graduating from the BRAC ultra-poor programs since 2011 reached 269,000<sup>35</sup>;
- › At least 75 per cent of malnourished women and children treated by WFP in Cox's Bazar District improved their nutritional status<sup>36</sup>; and
- › More than 11,000 women assisted to take positions in community decision-making<sup>37</sup>.

The one benchmark that was not met was the establishment of a Social Protection Unit (SPU) at the Ministry of Finance. The establishment of a SPU was not achieved during the reporting period as efforts were focused on agreeing enabling components of the SGSP with Government. This included the signing of a Memorandum of Understanding (MoU) and finalising the Technical Assistance Project Pro Forma, which needed to be agreed prior to the establishment of the SPU. Meeting the intended timeframes was also hampered by the political context which affected the momentum for reform.

### **Mutual Obligations**

The Australia-Bangladesh Aid Program Strategy (2012-16) outlines Australia's approach to bilateral development in Bangladesh. It sets out how Australian aid will help the government and people of Bangladesh to achieve the country's development goals. A Statement of Commitment on development cooperation signed by both governments in 2013 aligns with this strategy. Following inaugural senior officials talks in early 2014, preparations are underway to convene these talks bi-annually, so that the bilateral relationship, including development assistance can be discussed regularly at senior levels.

Australia remains committed to working with the Government to strengthen its national systems in service delivery to the poor and most vulnerable, and continues to welcome the Government's vision to further reduce poverty and accelerate economic growth so that the benefits of development are shared by all. Australia's support aligns with the Government of Bangladesh's vision for the country, outlined in its Sixth Five Year Plan 2011-2015. The Seventh Five Year Plan 2016-2020 is in development and Australia has been an active contributor to the Government's analytical and consultation process, including funding a background paper on gender. Australia has also played an active role in donor coordination and aid effectiveness forums, both as a member of the Local Consultative Group (LCG) Executive Committee (also representing Canada and Korea) and through the LCG's technical working groups.

During the reporting period the Government made strong progress towards eliminating poverty, as reflected in Bangladesh's recent elevation to lower-middle income status; through its

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<sup>34</sup> A total of 64 Scholarships were awarded with women receiving exactly 50 per cent or 32 scholarships.

<sup>35</sup> A total of 280,000 women and their families have moved out of extreme poverty since 2011.

<sup>36</sup> 90 per cent of malnourished women and children were found to have improved their nutritional status.

<sup>37</sup> A total of 16,390 community committee members were assisted by BRAC's Community Empowerment Program.

progress in meeting MDG 1 (eradicate extreme poverty and hunger); MDG 2 (access to primary education); through the gains in meeting MDG 4 (reduce child mortality) and MDG 5 (improve maternal health); and having reached gender parity targets in primary and secondary education under MDG3 (promote gender equality and empower women)<sup>38</sup>. Australia is one of nine development partners funding the Government's primary education program, where 70 per cent of donor funding is contingent on the Bangladesh Government achieving educational reforms<sup>39</sup>.

## Program Quality and Partner Performance

### Program Management

A new AIP was prepared (including consultations with development partners and the private sector) and the Performance Assessment Framework (PAF) was updated during the reporting period, aligning our strategy to Bangladesh's emerging priorities and ensuring consistency with the Australian Government's aid policy and performance framework. We finalised a Fraud and Anti-Corruption Strategy for the aid program, developed a single crisis action plan integrating consular and humanitarian response, and more strategically linked the aid program to Australia's economic and public diplomacy strategies, including regular posts on the new Australia in Bangladesh Facebook<sup>40</sup> page. Our High Commission's business plan and risk register were also updated to provide a more integrated assessment of aid and foreign policy deliverables.

Our staff attended training in environmental safeguards, disaster preparedness, procurement, financial management systems (Aidworks), and internal quality reporting systems, and presented at and contributed to workshops on education, gender and women's economic empowerment and social protection issues. We supplemented our in-house capabilities with specialist inputs in education, public financial management and monitoring and evaluation. This enabled greater policy influence on technical education reforms; more effective monitoring and management in Bangladesh's high fiduciary risk environment where we work through partner systems; high quality, evidence-based performance evaluation and reporting; and enhanced our ability to value-add to the institutional capacity of our partners on technical reforms<sup>41</sup>.

The Bangladesh program continued to consolidate in 2014-15, reducing from 20 initiatives to 17 and reducing the number of agreements from 47 to 39. We also managed higher than usual turnover of staff (including phasing out three Internationally Recruited Specialist positions), both within DFAT and in our managing contractors. An IT transition and Electronic Documents Record Management System (EDRMS) integration was completed and locally engaged conditions of service, work level standards and pay scales were harmonised.

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<sup>38</sup> *Millennium Development Goals, Bangladesh Progress Report*, Planning Commission and UNDP Bangladesh, 2013.

<sup>39</sup> To date, 29 of 36 indicators have been achieved with the others to be achieved over the remaining program timeframe.

<sup>40</sup> <https://www.facebook.com/AustralianHighCommissionDhaka>

<sup>41</sup> In house capabilities supplemented through World Bank support on fiduciary, safeguards, and quality enhancement and through UNICEF technical support.

Significant management attention was spent on volunteer security issues as well as planning and implementing budget adjustments in our current and forward pipeline. We expensed 100 per cent of our budget allocation for 2014-15, including programming an additional AUD 2 million for WFP operations in Cox's Bazar allocated at the end of the financial year.

A number of reviews and pieces of analysis were completed during the reporting period, many with the help of Australian technical assistance. These included:

- › Government primary education program – JARM – co-chaired by Australia;
- › Government primary education program- MTR – Australia had a major role in facilitating the focus of the review, supporting its implementation and coordinating joint government/development partner discussions;
- › Government primary education program- Gender Analysis – commissioned by Australia on behalf of the donor consortium (ongoing);
- › BRAC SPA - MTR – Australia supplied the lead consultant; findings from the review have informed strengthened reporting;
- › BRAC CFPR-TUP – MTR – led by Australia with recommendations that have informed the design of the program's next phase; and
- › Gender Equality and Women's Empowerment – Review of the DFAT Bangladesh Country Program helped identify opportunities for greater impact on gender (including PEDP3 and BRAC).

### **Analysis of Aid Quality Checks (AQC)**

Five Aid Quality Checks (AQC) and two Final Aid Quality Checks (FAQC) were completed during the reporting period. One initiative was below the \$3.0 million threshold for an AQC and one initiative secured an exemption from a FAQC on the basis that Australia had scaled down its support during the funding period and would no longer be supporting the sector. AQC and FAQC moderation was conducted by Director of DFAT's Bangladesh, Nepal and Bhutan section and a representative from the aid management and performance branch. A standardised approach for each moderation was adopted to ensure consistency across the process. Feedback was sought from relevant thematic areas who also attended the meetings. Overall the evaluation found that the Bangladesh program is performing strongly across all criteria, which reflects the effort to consolidate programs and focus on highly performing investments. No initiatives were determined to require improvement based on the agreed ratings.

**Relevance** - All five initiatives subject to the AQC process remain relevant in the development context in Bangladesh. Each initiative was rated as 'good quality' or higher. One initiative that was the subject of a FAQC was no longer considered relevant and received a rating of 'less than adequate', based largely on Australia's consolidation under the new AIP and a narrow interpretation of the initiatives' relevance over the life of the investment. The other initiative subject to a FAQC received a rating of 'adequate'.

**Effectiveness** - All five initiatives subject to the AQC process were considered to be meeting their expected outcomes for the reporting period. Two initiatives received a 'good quality' rating while the remaining three were considered 'adequate'. Both initiatives subject to the FAQC process were rated as effective, one deemed 'good quality' and the other 'adequate'.

**Efficiency** - All five initiatives subject to the AQC process were rated as making appropriate use of Australia's and our partner's time and resources. One initiative was rated as 'very high quality' and four were rated as 'good quality'. The two FAQC initiatives were rated 'adequate', this was an improvement for one of the initiatives which during the last AQC process received a 'less than adequate' rating.

**M&E** - All five initiatives subject to the AQC process were considered to be generating credible information and using it for program improvement, learning and accountability. Three initiatives were rated as 'good quality' and two initiatives were rated as 'adequate'. The two FAQC initiatives were rated 'adequate' based on the need to improve down-stream partners monitoring and evaluation (M&E) systems and to harmonise reporting requirements.

**Sustainability** - All five initiatives subject to the AQC process were identified as having benefits that will last after the completion of funding. Two initiatives received a 'good quality' rating while the remaining three were considered 'adequate'. One initiative subject to a FAQC was rated as 'good quality', an improvement on its previous rating during the last AQC process, while the other initiative was rated as 'adequate'.

**Gender Equality** - All five initiatives subject to the AQC process were considered to be making a difference to gender equality and empowering women and girls. The majority of investments in Bangladesh target women and girls as beneficiaries of awareness raising, income-generating activities, and services. However, there is a need to look beyond improving access to education services for example, and to focus increasingly on women's voice and agency in shaping and making full use of such services. Two initiatives received a 'good quality' rating while three were assessed as 'adequate'. Both FAQC initiatives were assessed as 'good quality'.

**Risk Management** - This was a new assessment criterion for both the AQC and FAQC processes. All initiatives were rated adequate or above in managing risk.

**Innovation/ Private Sector**- This was a new non-assessment criterion for both the AQC and FAQC processes. One initiative received a rating of 'good quality', three were assessed as 'less than adequate quality' and one 'poor quality' requiring major work to improve. The low ratings for this criterion were largely based on the lack of private sector engagement which is to be expected for those initiatives that were designed prior to the introduction of this criterion. Consistent with the new AIP the Bangladesh program will apply a stronger focus on supporting non-formal skills development, which will provide increased opportunities to work more closely with the private sector.

## **Performance of Key Delivery Partners**

Australia continues to work with partners whose objectives align with Australia's strategic priorities. In addition to the Government of Bangladesh, Australia's principle partnerships are with BRAC, the United Kingdom and WFP. Working with larger partners allows Australia to reach more people than if we were to work alone. It also enhances our policy influence with government through coordinated and combined advocacy. Our partnership with Government in PEDP3 is complemented by our funding of technical and analytical support through UNICEF and the World Bank. Support for non-government partners allows us to deliver high quality and innovative programs complementing government services, and to gather evidence of effective program and policy interventions that could be taken to scale.

## **BRAC**

BRAC delivered strongly against global Australian aid policy objectives including; innovation in its implementation model and programs, empowerment of women and girls and performance of its systems and results. The relationship between Australia and BRAC is one of trust and like-mindedness. Dedicated relationship managers from Australia, BRAC and DFID have created better lines of communication allowing greater insight to BRAC's engagement with Government, its strategy development process and its institutional strengthening progress. The Vice-Chairperson and Interim Executive Director of BRAC visited Australia in the period, giving visibility to the partnership with Australian domestic audiences. BRAC is increasingly promoting the partnership in Bangladesh, including for example by including short video statements by the Australian and British High Commissioners to Bangladesh in BRAC's interactive annual report<sup>42</sup>.

Australia convened a workshop with senior BRAC and DFID staff to review the challenges and opportunities in our partnership with BRAC. We jointly conducted a due diligence review of BRAC to assist both DFAT and DFID to prepare for a possible future funding phase. Australian brokered a connection between BRAC and the Australian Council for Educational Research (ACER) which will help BRAC gather evidence to engage with the Government on policy reform.

The SPA is an innovative financing mechanism, which allows BRAC to determine how it directs funding against program priorities in consultation with Australia and the UK. The flexibility of the model has resulted in BRAC's ability to fund programs that target hard to reach and under-funded areas in innovative ways. An example during the reporting period was the development of the Maya application, launched at the Australian High Commission, which uses mobile phone technology to provide women and girls with access to information on health, legal and other issues. We also showcased the SPA North-South financing model at the Dhaka High Level Meeting on South-South and Triangular Cooperation in the post-2015 Development Agenda, attended by Prime Minister Sheikh Hasina.

## **DFID (UK)**

DFID is a key donor to Bangladesh, ranked third in total ODA behind only the World Bank and Japan<sup>43</sup>. Australia's relationship with DFID is strong and continues to grow particularly in the areas of education, social protection (and 'leaving no one behind'), and the empowerment of women and girls. These strategic interests are all reflected in programs funded through the tripartite strategic partnership with BRAC. The level of engagement and scrutiny of the SPA increased during the reporting period, as donor partners began to prepare business cases for a possible next phase. This highlighted that realisation of the SPA's potential as a knowledge partnership requires strong skills in partnership brokering and a commitment to partnership principles (including collaborative governance, trust, transparency, and communication) in addition to our traditional program and financial management capability. In addition, Australia partnered with DFID in the establishment of the SGSP program and the CLP. Australia relies on DFID's systems and management for oversight of these combined investments. During the

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<sup>42</sup> BRAC Annual Report, 2014.

<sup>43</sup> OECD Aid Charts, 2011-13.

reporting period an evaluation of CLP was completed (including with support from DFAT's Poverty and Social Transfers Unit). DFID is also one of nine development partners, including Australia, in the Bangladesh government's primary education program.

## WFP

Australia's relationship with WFP remains strong. WFP's key strengths are its leadership in food security, humanitarian co-ordination and disaster risk reduction which make it the right partner to work with in challenging regions including Cox's Bazar District. Our engagement allows us a seat at the table in the ongoing dialogue on the Government's National Strategy Paper on Myanmar Refugees and Undocumented Myanmar Nationals in Bangladesh. An independent evaluation of support to WFP in Cox's Bazar was completed in 2014<sup>44</sup>, with recommendations from the evaluation informing the next phase of funding. The new phase commenced in September of the reporting period with early milestones on track. The risk and complexity of Australia's relationship with WFP has increased with four new co-funding partners on board and time is being invested in establishing strong multi donor governance systems. Based on the independent evaluation in 2014, dialogue is needed to improve monitoring and evaluation (M&E) reporting. WFP has produced a draft M&E framework incorporating outcome and impact indicators that will form the basis of on-going reporting. We've drawn on our internal technical resource to support the WFP Cox's Bazar program M&E.

## Risks

**Table 3 Management of Key Risks to Achieving Objectives**

<b>Key risks</b>	<b>What actions were taken to manage the risks over the past year?</b>	<b>What further actions will be taken to manage the risks in the coming year?</b>	<b>For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)</b>
1. Delays in program implementation and oversight due to political instability.	Post maintained awareness of the political environment and modified expectations where appropriate. Close contact maintained with development partners and Government through local consultative group, HOM and staff.	Adjust program expectations according to political context and re-align programs as required. Maintain mix of support through government and non-government programs.	High
2. Funding provided for programs is not used for the intended purpose, constituting fraud.	Post complied with fraud control and anti-corruption policies including due diligence requirements for implementing partners. Where possible funding was disbursed on 1) achievement of agreed performance and 2) satisfactory completion of audit processes.	Australia's PFM adviser to continue to support stronger DFAT engagement	Medium

<sup>44</sup> This report is yet to be published.

3. Our interventions are not consistent with the needs and priorities of an emerging MIC in a reducing ODA context resulting in ineffective programs	Ensure sufficient technical resources are available to enable credible policy dialogue and influence reforms; closely assess opportunities for Australia to value – add and improve Bangladesh’s own systems and expenditure as part of the AIP.	Reflect changed expectations in Aid Investment Plan (AIP), performance framework and associated reporting, and; manage partner expectations accordingly by communicating any changes in areas of Australian focus.	Medium
4. Reducing the size of the Australia Awards program and/or limited resourcing/direct oversight impacts on the program's effectiveness and efficiency, as well as our visibility and influence	Frequent and clear communication with new managing contractor during transition.	Maintain strong advocacy with scholarships branch and regional manager (desk) on value of Australia Awards in Bangladesh; alternate programming options (e.g. short courses) to maintain relationships with partners.	Medium

## Management Responses

A new Aid Investment Plan was finalised in the second half of 2015. The plan outlines our strategic choices in aligning the new aid priorities and implementing approaches to optimise our investments and improve our efficiency and effectiveness, including by working with proven partners to maximise our impact.

Through 2015-16, Australia will finalise the transition to the new AIP. In doing so, we will need to:

- › Carefully consider how to deliver high-quality, credible technical assistance and policy advice in the primary education sector, our area of greatest comparative advantage, in a resource-constrained environment; prioritise resources to engage in planning for the next phase of the primary education program, ensuring that the process benefits from our 16 years’ experience in the sector and to ensure an uninterrupted program pipeline;
- › Build capacity in gender and women’s economic empowerment to better understand the local context and how to adapt our strategic approaches, programming interventions and results reporting accordingly;
- › Manage leadership change within DFAT to ensure high level champions for the ongoing BRAC partnership-building process; finalise the business case for a possible new phase of the SPA to ensure an uninterrupted program pipeline;
- › Manage risk and fraud with a partnership approach, using partner systems to identify, manage and resolve cases and working with partners to identify and improve systemic weaknesses. Update our Assessment of National Systems in 2016;
- › Further develop Australia Award short course options as the preferred bilaterally-funded mechanism for providing responsive and targeted ways to address Bangladesh’s skills deficits. Continue advocacy for global funding of long term awards which remain an important part of building enduring people to people and institutional linkages. Explore ways to broaden and strengthen the Australia Awards Alumni network, including reaching out to women leaders and privately-funded students;

- > Work with WFP on new and ongoing initiatives for better results reporting and quality assessments; and
- > Investigate options for alternative monitoring of programs to manage recurring security challenges.

## ACRONYMNS

AIIB	Asian Infrastructure Investment Bank
ACER	Australian Council for Educational Research
ACIAR	Australian Centre for International Agricultural Research
AIP	Aid Investment Plan
AQC	Aid Quality Check
ASPR	Annual Sector Performance Report
BCCRF	Bangladesh Climate Change Resilience Fund
CDMP	Comprehensive Disaster Management Program
CEP	Community Empowerment Program
CFPR TUP	Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor
CLP	Chars Livelihood Program
DET	Department of Education and Training
DFID	Department for International Development (UK)
ECL	Every Child Learns
EDRMS	Electronic Documents Record Management System
ERF	Early Recovery Facility
FAQC	Final Aid Quality Check
GDP	Gross Domestic Product
GNI	Gross National Income
HNPP	Health, Nutrition and Population Program
IFR	interim financial report
Icddr'b	International Centre for Diarrhoeal Disease Research
JARM-	Joint Annual Review Mission
LCG	Local Consultative Group
LDC	Least Developed Country
LNG	Liquid Natural Gas
MJF	Manusher Jono Foundation
MDG	Millennium Development Goals
MIC	Middle Income Country
MTR	mid-term review

NGO	Non- Government Organisation
PAF	Performance Assessment Framework
PEDP3	Primary Education Development Program Phase III
PFM	public financial management
SGSP	Strengthening Government Social Protection
SPA	Strategic Partnership Arrangement
SPU	Social Protection Unit
SWAp	Sector Wide Approach (Government Education- PEDP3)
WASH	water, health and sanitation
WFP	World Food Programme

## Annex A - Progress in Addressing Management Responses

Management responses identified in 2013-14 APPR	Rating	Progress made in 2014-5
<p>Develop an Aid Investment Plan by July 2015, adapting the program to Australia's new aid policy (released June 2014). The AIP needs to carefully consider how to balance delivering on the financial and risk management, monitoring and reporting requirements of the Bangladesh Program. Australia will: revise the program objectives and approach; consider opportunities to respond to Australian aid policy priorities and develop performance benchmarks building on those included in the APPR 2013-14.</p>	Achieved	The Bangladesh program's new Aid Investment Plan (AIP) was finalised in September 2015 in accordance with revised government timeframes. The 2014-15 APPR reports against the previous country strategy, while recognising that the period also included substantial adjustments to how we managed investments and where we focussed our priorities, to better align with the directions of the new AIP.
<p>Manage existing investments throughout 2014-15 to support a smooth transition to the AIP period (2015-16 to 2018-19) including: in the short term allocating significant resources to support our lead role in primary education and reviewing this continued role as part of the AIP; use the findings of the SPA mid-term review to consider opportunities for future engagement potentially including further work with BRAC in the area of skills development, empowerment of women and girls and the role of the private sector; help civil societies build responsiveness to the needs of marginalised groups, tested through existing support to MJF and BRAC; and bring a renewed gender focus for our investments in primary education, social protection and BRAC.</p>	Achieved	Significant resources were allocated to primary education (DFAT chaired the PEDP3 donor consortium); future support through BRAC will include a scaled up focus on skills and continued support for empowerment and the private sector ; BRAC's human rights and community empowerment programs continue to support the rights of the marginalised; DFAT raised awareness of gender issues within PEDP3.
<p>Support staff at Post to adapt their skills to new aid policy priorities. Consider options to access additional resources (including through the new Australia Awards program and a potential resource facility for the bilateral and regional South Asia programs.</p>	Achieved	Our staff attended training in environmental safeguards, disaster preparedness, procurement, financial management systems (Aidworks), internal quality reporting systems, and presented at and contributed to workshops on education, gender and women's economic empowerment and social protection issues.

**Note:**

- **Achieved.** Significant progress has been made in addressing the issue
- **Partly achieved.** Some progress has been made in addressing the issue, but the issue has not been resolved
- **Not achieved.** Progress in addressing the issue has been significantly below expectations

## Annex B - Progress towards Performance Benchmarks in 2014 -15

Aid objective	2014-15 benchmark	Rating	Progress in 2014-15
Objective 1: Increased equity of access to, and improved outcomes from, health and education services	368,450 children (60 per cent girls) complete a course of primary or pre-primary education in BRAC schools	Achieved	Australia provides non-earmarked core funding to BRAC which complements our investment in the Government's primary education program. In 2014-15, 316,223 students (61 per cent girls) completed pre-primary education, 43,379 students completed and passed the National Primary Completion Exam (PSCE) - Grade V and 9,892 students completed and passed the National Primary Completion Exam (PSCE). In total Australia's assistance resulted in 369,494 students completing a course of primary or pre-primary education in a BRAC school. Approximately 45 per cent of Australia's aid budget was spent on education in 2014-15.
	Chairing donor consortium to the Government of Bangladesh's Primary Education Development Program	Achieved	As chair of the donor consortium (including ADB, Canada, the UK, the EU, Japan, Sweden, UNICEF, the World Bank and the Bangladesh Government) Australia played a lead role in setting the policy and management priorities for primary education sector reform in 2014-15. Australia successfully advocated for an increased focus on the government education programs results matrix, the timely production of the Annual Sector Performance Report (ASPR) to inform annual planning and the better use of mid-term reviews for self-reflection and learning. Australia's financial and technical support also directly contributed to the completion of the second national student assessment reform of the end of primary school exam. Australia deepened already strong relationships with the Government of Bangladesh and Donor's through its role which also provided a good opportunity to influence the direction of program policy.
	50 per cent of donor fund disbursement is directly linked to results achieved (under the Government of Bangladesh's primary education program) with the remaining 50% subject to meeting annual audit requirements	Achieved	The Government's primary education program is funded on a performance basis. 50 per cent of funds disbursed were directly linked to results achieved. Six of nine DLIs were met during the reporting period. To date 29 of 36 DLIs have been achieved. Expectations for progress particularly with regard to results were met in 2014-15. The remaining 50 per cent of funds were subject to the government education program meeting annual audit requirements.
	At least 50 per cent of scholarships in each intake awarded to women	Achieved	Australia provided 64 Australia Award long-term scholarships as well as 34 short-course places which were targeted towards the Government of Bangladesh, ethnic minority communities and partner organisations to develop the human resource base of the Bangladesh civil service and strengthen local NGO capacity. An equal number of men and women accepted scholarships. The Government received the majority of scholarships with 39 awards followed by those from ethnic minority communities with 17 awards.
Objective 2: Fewer women and men living in extreme poverty and vulnerable to economic and natural shocks	The Number of female headed households graduating from BRAC ultra-poor programs since 2011 reaches 269,000	Achieved	In 2014-15, 148,795 beneficiaries (households) of BRAC's CPFR-TUP program graduated and uplifted themselves from extreme poverty. The CPFR-TUP program also achieved its end-2014 target by helping 280,000 women and their families out of extreme poverty since 2011. The methodology developed by BRAC, part funded by Australia for the last eight years, is now used globally to assist extremely poor families. It has been shown to be a highly effective intervention in other country contexts as well as in Bangladesh.

Aid objective	2014-15 benchmark	Rating	Progress in 2014-15
	Social Protection Unit established and operational at the Ministry of Finance	Not Achieved	The establishment of a SPU was not achieved during the reporting period as efforts were focused on getting enabling components of the SGSP agreed with Government. This included the signing of a MoU with Government and finalising the Technical Assistance Project Pro Forma, which needed to be agreed prior to the establishment of the SPU. Meeting the intended timeframes was also hampered by the political context that affected momentum.
Objective 3: Women and marginalised groups better able to demand services and assert rights	At least 75 per cent of malnourished women and children treated by WFP in Cox's Bazar District improve their nutritional status	Achieved	Survey results (2014) on the first phase of the initiative found an improved nutritional status for 91 per cent of children and pregnant & lactating women who participated. Intended beneficiaries were satisfied with the investments results.
	11,000 women assisted to take positions in community decision making	Achieved	16,390 community committee members were assisted by BRAC's Community Empowerment Program to focus on achieving socio-political empowerment of the rural poor, particularly women.

**Note:**

- **Achieved.** Significant progress has been made and the performance benchmark was achieved
- **Partly achieved.** Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- **Not achieved.** Progress towards the performance benchmark has been significantly below expectations

## Annex C - Evaluation and Review Pipeline Planning

### List of evaluations completed in the reporting period

Name of Investment	AidWorks number	Name of evaluation	Date finalised	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
BRAC Strategic Partnership Arrangement	INJ597	Mid Term Review-	August 2014	June 2015	No	No
Core Support to icddr'b for 2010/11- 2013/14	INJ580	Core icddr'b Annual Review	August 2014	September 2015	No	No
Support to Primary Education Development Program (PEDP3)	INJ957	Mid Term Review	July 2015	September 2015	No	No
Strengthening Government Social Protection Systems for the Poor (SGSP)	INL234	Annual Review	August 2014	June 2015	No	No
Chars Livelihoods Program	INL234	Annual Review	February 2015	September 2015	No	Yes

### List of evaluations planned in the next 12 months

Name of Investment	AidWorks number	Type of evaluation	Purpose of evaluation	Expected completion date
Primary Education Development Program (PEDP3)	INJ957	Joint Annual Review Mission (JARM)	To review the progress of last year and to review the annual operation plan for the coming year	June 2016
Strategic Partnership Arrangement (SPA) with BRAC	INJ579	Independent Completion Report	To access and evaluate the program upon completion	June 2016
Chars Livelihoods Program	INJ103 + INL234	Partner led evaluation	To demonstrate achievements for accountability purposes and to develop evidence to inform future investments	April 2016

## Annex D - Aid Quality Check ratings

The previous investment level performance assessment system utilised Quality at Implementation (QAI) reports. Two criteria, Risks and Safeguards and Innovation and Private sector were not assessed in QAI reports and there have been significant changes in AQC reporting this year. Innovation and Private Sector is not a quality standard.

### AQC ratings

Investment name	Approved budget and duration	AQC/QAI year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Strategic Partnership With BRAC	\$180.0m 21/12/2011-30/03/2016	2014 AQC	5	5	6	5	5	5	5
		2013 QAI	5	5	5	5	5	6	n/a
Primary Education Development Program Phase 3	\$49.4m 20/12/2011-01/02/2016	2014 AQC	6	5	5	5	5	4	5
		2013 QAI	5	5	4	5	5	3	n/a
Social Protection and Extreme Poverty Reduction	\$9.5m 30/02/2014-30/07/2018	2014 AQC	4	4	5	5	4	5	5
		2013 QAI	5	5	5	5	3	5	n/a
World Food Programme in Cox's Bazar	\$8.5m 04/04/2013-30/04/2018	2014 AQC	5	4	5	4	4	4	5
		2013 QAI	5	4	5	3	4	5	n/a
Australian Development Scholarships	\$9.3m 01/04/2010-30/06/2015	2014 AQC	4	4	5	4	4	4	4
		2013 QAI	4	4	5	4	4	4	n/a

**FAQC ratings** (include if relevant)

FAQC scores assess performance over the lifetime of the investment and should not be compared to the previous year's QAI ratings.

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Core Support to International Centre for Diarrhoeal Disease Research	\$15,450,000 17/04/2011-30/06/2015	5	3	5	4	4	5	5	5
Demand for Governance and Accountability	\$6,000,000 01/05/2013-30/06/2015	5	4	4	4	4	4	5	4

**Definitions of rating scale:**

**Satisfactory (4, 5 and 6)**

6 = Very good; satisfies criteria in all or almost all areas

5 = Good; satisfies criteria in most areas

4 = Adequate; on balance, satisfies criteria; does not fail in any major area

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria but does not fail in any major area

2 = Poor; does not satisfy criteria in major areas

1 = Very poor; does not satisfy criteria in many major areas